

EX PARTE OR LATE FILED
Small Business PCS Association
96 Hillbrook Drive Portola Valley, CA 94028
415-851-1615 FAX: 415-851-1870

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May 4, 1994

Ms. Donna R. Searcy
Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

RE: PP Docket No. 93-253/Ex Parte Presentations

Dear Ms. Searcy:

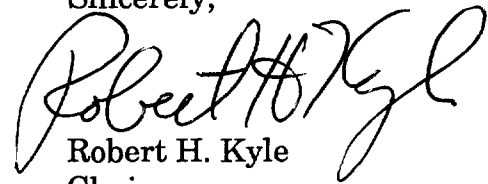
On April 29, 1994 I met with the following decision makers at the FCC:

Mr. Jonathan Cohen
Mr. John Winston
Ms. Julia Kogan
Mr. Don Gips
Mr. Greg Rosston

Attached is a copy of the main issues discussed.

Please let me know if you have any questions.

Sincerely,


Robert H. Kyle
Chairman

Enclosure

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SBPCS Position on Auction Rules

**Robert Kyle, Chairman
Small Business PCS Association**

April 29, 1994

96 Hillbrook Drive, Portola Valley, CA 94028 415-851-1615 FAX: 415-851-1870

- **Represent a Major Opportunity for Hundreds of Small, Woman- and Minority-Owned Businesses and Rural Telco's**
 - **The Only Way of Meeting the Intent of the Omnibus Budget Reconciliation Act of 1993 for SWMRs**
 - **If No Set Asides, SWMR Participation Is Reduced from Hundreds to a Handful**
 - **SWMRs Must Participate Fully as License Holders**
- **20 MHz (Block C) Set Aside Allows Full Competition with the MTAs and Cellular Companies (even with less spectrum)**
- **10 MHz (Block D) Set Aside Can Provide a Good Voice or Data Service (but not both)**

- **A Small Business Operating a Single BTA Can Compete Effectively with Large Businesses Operating Larger Service Areas**
 - **All Will Operate Under the Future US Standards for PCS (due to be complete in May 1994)**
 - **Economies Of Scale Have Diminishing Returns after 100,000 Subscribers (the most cost effective switch size)**
 - **SBPCS Will Form Large Buying Consortia Especially for Small Business**
 - **SBPCS Will Form a National Roaming Network for Small Business**
- **But Cellular Carriers Must Be Excluded or Limited to 10 MHz or Less**

- **Upfront Payment**
 - **2¢ per MHz per POP Will Help Control Speculators**
 - **Refundable to a SWMR that Is Later Disqualified**
- **10% Payment**
 - **Onerous for Small Business**
 - **Should Be Eliminated**
- **The Same Financing Terms Available for a Set Aside License Should Be Available for Any License Acquired by a SWMR**
- **Payment Schedule**
 - **Payments Over Full License Term (10 years for PCS)**
 - **First Payment Due in 2 Years**
 - **Then Quarterly Payments 0.5% of License Price thru Year 5**
 - **Then Balance Amortized in Equal Payments thru Year 10**

- **In Any Geographic Region No One Class of License Holder Should Be Given an Advantage Over Any Other**
 - **Once the First MTA is Auctioned, All Component BTAs Should Be Auctioned Next**
 - **Otherwise the MTA License Holders Would Obtain Their Licenses Before Their BTA Competition and Have an Unfair Head Start**
- **Combined Bids for BTAs**
 - **Transforms BTA Bidding into Another Large Company Auction Like the MTAs**
 - **Unworkable since 491 BTAs Generate a Staggering Number of Combinations**
 - **Should not Be Allowed on Either a Frequency or Geographic Basis**